

Message Text

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AMEMBASSY MOSCOW

C O N F I D E N T I A L NEW DELHI 7195

E.O. 11652: GDS

TAGS: PFOR, IN, UR

SUBJ: INDO-SOVIET RELATIONS

SUMMARY: THERE WILL BE SOME AGREEMENTS CONCLUDED DURING MRS. GANDHI'S VISIT TO MOSCOW BUT INDIANS ARE RELUCTANT TO INDICATE WHICH ONES. THE MEA JOINT SECRETARY HANDLING THE VISIT DESCRIBED INDO-SOVIET RELATIONS NOW AND FIVE YEARS AGO AS ESSENTIALLY THE SAME, ALTHOUGH THE PUBLIC IMAGE OF THESE RELATIONS HAD CHANGED. THE INDIANS ARE NOT REGOTIATING WITH MOSCOW ON A TELECOMMUNICATIONS SATELLITE, AND INDO-SOVIET NUCLEAR COOPERATION REMAINS RELATIVELY INACTIVE. INDIAN CONCERN OVER SOVIET NAVAL PRESENCE IN THE INDIAN OCEAN REMAINS LATENT, BUT COULD GROW TO BE A SIGNIFICANT PROBLEM IN BILATERAL RELATIONS IN THE FUTURE. INDIANS ARE WARY ABOUT ALLOWING PROPORTION OF THEIR TRADE ATTRIBUTABLE TO MILITARY SUPPLY REPAYMENTS TO RISE ABOVE PRESENT 10-15 PERCENT A YEAR. END SUMMARY.

1. DURING COURTESY CALL BY POLCOUNSELOR ON NEW MEA JOINT SECRETARY (EAST EUROPE) SHRI VATSA PURUSHOTTAM, PROBLEMS
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IN INDO-SOVIET RELATIONS WERE REVIEWED IN GENERAL TERMS.

2. MRS. GANDHI'S VISIT: OBJECTIVE WILL BE TO PROVIDE OPPORTUNITY FOR TOURS D'HORIZON OF BOTH BILATERAL AND MULTILATERAL ISSUES OF INTEREST TO BOTH COUNTRIES. IT IS UNCERTAIN WHAT AGREEMENTS WILL BE CONCLUDED BUT THERE IS INEVITABLY PRESSURE TO FINISH UP SOME ITEMS FOR FORMAL AGREEMENT ON THESE OCCASIONS. PURUSHOTTAM SAID IT WOULD BE MISLEADING TO TRY AND SUGGEST AT THIS POINT WHAT THESE MIGHT BE . (A SOVIET FIRST SECRETARY TOLD AN EMBOFF THREE WEEKS AGO THAT THERE WOULD BE LITTLE OF SUBSTANCE FOR MRS. GANDHI TO ACCOMPLISH IN MOSCOW BUT IT IS THE WORK OF DIPLOMATS TO ARRANGE AGREEMENTS TO SIGN AND THAT WOULD BE DONE.) THE PM'S PARTY WOULD SPEND ABOUT THREE DAYS IN MOSCOW. GOI AND SOVIETS WERE CURRENTLY LOOKING FOR SOME PLACE WHICH MRS. GANDHI HAS NOT VISITED PREVIOUSLY TO WHICH SHE COULD MAKE ONE-DAY EXCURSION. PM WOULD DEFINITELY MAKE NO OTHER FOREIGN VISITS IN CONJUNCTION WITH TRIP TO USSR.

3. ON SOME SPECIFIC ISSUES: (A) SHIPPING--INDO-SOVIET DISCUSSIONS ON ALLOCATING SHARE OF CARGO BETWEEN SHIPS OF TWO COUNTRIES HAVE BEEN GOING ON FOR SOME TIME. IT WAS UNLIKELY THIS ISSUE WOULD HAVE PROCEEDED TO POINT WHERE AGREEMENT COULD BE SIGNED IN NEXT MONTH. (B) FISHING--A FORMAL AGREEMENT ON THIS SUBJECT WAS DISCUSSED WHEN BREZHNEV WAS IN INDIA IN 1973. THE ISSUE REVOLVED AROUND INDIAN INTEREST IN THE PROCUREMENT OF TRAWLERS. THE INDIANS OBJECTIVE IS TO ACHIEVE SELF-SUFFICIENCY IN ANY AGREEMENT AND IT HAD BECOME CLEAR SOVIETS DID NOT HAVE THIS IN MIND. THEREFORE, INTEREST IN THE SUBJECT ON BOTH SIDES HAD THEREFORE FALLEN OFF. (C) RUPEE-RUBLE EXCHANGE RATES--STILL A PROBLEM BUT IT WAS POSSIBLE THAT BOTH SIDES COULD AGREE ON SOME COMMON DENOMINATOR THROUGH WHICH TO MAKE PERIODIC ADJUSTMENTS IN EXCHANGE RATE. (D) MILITARY SUPPLIES--ONLY OBSERVATION OF INTEREST MADE BY PURUSHOTTAM WAS THAT GOI WAS SNENSITIVE TO FACT THAT 10-15 PERCENT OF INDIAN RUPEE TRADE WITH SOVIETS IS ALLOCATED TO PAY FOR SOVIET ARMS SUPPLIES TO INDIA. IN DISCUSSING DEBT RESCHEDULING WITH WESTERN AID DONORS, PURUSHOTTAM SAID, THIS FACTOR WAS A POINT OF CONCERN FOR GOI AND INDIANS WERE ANXIOUS THAT THEIR PAYMENTS TO SOVIETS FOR CONFIDENTIAL

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ARMS SHIPMENTS DID NOT INCREASE FURTHER. (E) COMMUNIATIONS TECHNOLOGY--PURUSHOTTAM SAID CATEGORICALLY THAT MININFO AND BROADCASTING SHUKLA HAD EXCEED HIS INSTRUCTIONS AND HIS KNOWLEDGE IN PUBLICLY REFERRING TO DISCUSSIONS WITH SOVIETS ON TV AND COMMUNICATIONS SATELLITE. GOI HAD DISCUSSED FURTHER COOPERATION WITH SOVIETS ON FUTURE ROCKET LAUNCHES AND SATELLITES, BUT NOT ON TV COMMUNICATIONS. SHUKLA HAD IN FACT EXPRESSED INDIAN INTEREST IN THIS TO SOVIETS, WHO HAD RESPONDED THAT THIS MIGHT

BE DISCUSSED FURTHER, BUT SHUKLA'S APPROACH HAD BEEN UNAUTHORIZED AND NO FURTHER PLANS WERE CURRENTLY BEING PURSUED TO DISCUSS THIS PARTICULAR AREA OF COOPERATION WITH MOSCOW.

4. POLCOUNSELOR ASKED ABOUT INDO-SOVIET NUCLEAR COOPERATION. PURUSHOTTAM SAID THERE WAS AN INDO-SOVIET AGREEMENT ON THIS SUBJECT WHICH HAD BEEN SIGNED SEVERAL YEARS AGO, BUT IT WAS NOT PARTICULARLY ACTIVE. (INDIAN ATOMIC ENERGY COMMISSION SETHNA TOLD DCM ALMOST EXACTLY THE SAME THING TEN DAYS AGO IN BOMBAY.) PURUSHOTTAM SAID HE WAS UNAWARE OF ANY PLANS TO ACTIVATE INDIAN PURCHASES OF EQUIPMENT, FUEL, OR HEAVY WATER FROM SOVIETS. (AT THIS POINT, HOWEVER, PURUSHOTTAM CURIOUSLY ASKED A NUMBER OF SPECIFIC QUESTIONS ABOUT THE NUCLEAR SUPPLIERS GROUP GUIDELINES, AND HOW THEY FITTED IN WITH IAEA GUIDELINES. POLCOUNSELOR RESPONDED ALONG LINES OF ACDA DIRECTOR IKLE'S PUBLISHED STATEMENT.)

5. ASKED IF THERE WERE ANY AREAS OF INDO-SOVIET FRICTION, PURUSHOTTAM FIRST SINGLED OUT LOS NEGOTIATIONS WHERE INDIAN AND SOVIET POSITIONS WERE AT SUBSTANTIAL ODDS. IN ADDITION, HE SAID, THE INDIAN POSITION OF THE INDIAN OCEAN AS A PEACE ZONE WAS IN ESSENCE IN CONFLICT WITH THAT OF THE SOVIETS. THIS WAS NOT A MATTER WHICH THE INDIANS REFERRED TO PUBLICLY, BUT PURUSHOTTAM THOUGHT IT COULD BECOME A POTENTIALLY SERIOUS ONE WITH THE SOVIETS IF THEY BUILT UP THEIR NAVAL PRESENCE FURTHER IN THE INDIAN OCEAN.

6. PURUSHOTTAM CONCLUDED WITH OBSERVATION THAT WHILE VISUAL IMPRESSION OF INDO-SOVIET RELATIONS MIGHT LEAD ONE TO CONCLUSION THAT THERE WAS LESS CLOSENESS NOW THAN SEVERAL YEARS AGO, THIS WOULD BE AN ERROR. FREQUENCY AND FULSOMENESS OF REFERENCES TO SOVIETS MIGHT HAVE LESSENED IN INDIAN PRESS AND BY INDIAN POLITICIANS, BUT THE ESSENTIAL

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CHARACTER OF THE RELATIONSHIP REMAINED UNALTERED. THE DEGREE OF CLOSENESS HAD BEEN EXAGGERATED BY SOME OBSERVERS IN 1971, AND RUMORS OF DISTANCE WERE EQUALLY EXAGGERATED AT PRESENT.

7. BIO: PURUSHOTTAM IS 41, FROM BIHAR, AND A SPEEDY RISER IN THE INDIAN FS WHICH HE ENTERED IN 1959. HE SERVED IN MOSCOW TWICE (1960-63 AND 1970-73) AND WAS INDIAN AMBASSADOR TO MALAWI 1973-75. ANOTHTI EMBTF WHO KNEW HIM IN MOSCOW HAS DESCRIBED HIM AS HAVING BEEN KNOWN AS ONE OF THE SHARPEST DIPLOMATS IN THE COMMUNITY, WIDELY RESPECTED, AND FRIENDLY TO AMERICANS.

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